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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000486

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TAGS: [CH](#) [EAID](#) [ECON](#) [EFIN](#) [ETRD](#) [PGOV](#) [PREL](#) [TW](#)

SUBJECT: FORMER FM CHIEN ON BOAO FORUM: BEIJING WANTS MA TO  
COME CLOSER TO ITS ONE CHINA POSITION

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Classified By: Classified by AIT Director Stephen M. Young for reasons  
1.4 (b) and (d).

Summary

11. (C) In an April 22 meeting with the Director, former Foreign Minister Fredrick Chien said he was received warmly by PRC Premier Wen Jiabao at last week's Boao Forum, and also had two long private meetings with Wang Yi, Director of the Taiwan Affairs Office (TAO). Chien, who claimed he was not carrying any message from President Ma to the Chinese leadership, said he spoke to Wen "as an ordinary citizen" and asked China to help Taiwan through the current economic downturn. He also suggested to Wen that Taiwan NGOs would like to do more for and in China. Wen told Chien that China would be willing to discuss an ECFA when Taiwan is prepared to do so. In two private meetings with Chien, TAO Director Wang Yi voiced Mainland suspicions about President Ma, whom he said should do more to placate those in China opposed to closer ties with Taiwan. In particular, China would like Ma to make public statements that come closer to China's official line on the cross-Straits relationship and eventual unification. Chien also told Wang this would be difficult for Ma, as Taiwan remains politically divided on many cross-Straits issues. Chien told Wang that Ma is China's best hope.

12. (C) Commenting on rumors that President Ma might take over the KMT chairmanship, Chien said he advised Ma against it, since even as chairman, he may still not be able to control the KMT. Chien also quashed speculation that he himself might be in line to replace P.K. Chiang as Chairman of the Straits Exchange Foundation (SEF), stating that the job should be given to a Taiwan native. Chien believes that those like himself of Mainland Chinese heritage would not be effective in the role. End Summary.

13. (C) On April 22, the Director met with Fredrick Chien for a readout of his meetings at the Boao Forum for Asia, held April 17-19 on Hainan Island. Chien, a senior statesman and noted Americanist, is retired after a long career of public service. He has served as foreign minister, TECRO representative in Washington, and Control Yuan president. He is currently the chairman of the Cathay Charity Foundation.

Although Chien was dispatched by the Ma administration, he attended the forum in the capacity of senior advisor to the Cross-Strait Common Market Foundation. In recent years the Boao meeting has been an opportunity for high level meetings between Chinese leaders and unofficial envoys from Taiwan. Last year then-Vice President-Elect Vincent Siew led the Taiwan delegation, again in an unofficial capacity.

14. (C) Although most participants were Chinese businesspeople critical of the U.S. for its role in the current financial downturn, said Chien, the Chinese were delighted with the participation of former President George W. Bush. In fact, Chien said he and other head-table dignitaries were unable to converse with the former president, because various Chinese participants kept approaching Bush for photo requests. The Chinese, he said, appreciate the role Bush had in building the U.S.-China bilateral relationship. In his remarks, Bush reminded his audience that he never missed an APEC summit and attended the Olympics in Beijing, something that China clearly appreciated.

15. (C) Chien led the largest Taiwan delegation ever to attend a Boao Forum. The delegation was comprised of 34 Taiwan representatives who were heavily weighted toward the financial sector. Included in the delegation were the CEOs of Fubon Financial Holdings, Cathay Financial, and the Chairman of the Taiwan Stock Exchange.

Meeting Wen Jiabao  
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16. (C) Chien and about ten other members of the Taiwan delegation met with Chinese Premier Wen Jiabao on the morning of April 18. Wen greeted the delegation warmly and,

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originally scheduled for 20 minutes, the meeting ran to 45 minutes. Claiming that he was given no special message to convey to the Chinese leadership from President Ma, Chien said that he spoke to Premier Wen "as an ordinary citizen." He did note, however, that officials from Taiwan's National Security Council had called on him before his departure to "ask him what he planned to say."

17. (C) Chien said he asked Wen for China's help in bringing Taiwan through the current economic crisis. He stated that due to Taiwan's relatively small size, it had been hit much harder than China. In the past he said, Taiwan has helped Chinese economic development, and he was now asking for China's help. Specifically Chen asked Wen to:

--send more tourists - Taiwan needs more tourists from China, he said, and he asked that China permit the doubling of the current number of direct flights.

--buy more Taiwan products - Businesses in Taiwan have been hit hard by falling export demand. He urged China to buy more Taiwan products, specifically flat screen televisions/monitors, which he said China is now buying from Korea.

--allow China-based Taiwan firms to sell in China - Many Taiwan firms based in China cannot sell their products locally. Chien hoped that due to a decline in overseas demand, they hoped they could sell more products in China.

--encourage Chinese investors - Chien expected that the upcoming third round of cross-Strait talks will have completed a review of which sectors in Taiwan will be opened to Chinese investors. Chien urged Wen to encourage Chinese investors to invest in Taiwan.

17. (C) Chien also suggested that Taiwan could deepen humanitarian support and help for China, particularly through NGOs. He told Wen of a Jakarta project by the Hualien-based Tzu Chi Foundation, a Buddhist organization which does

humanitarian work around the world. Working with the Indonesian government which provided land, Tzu Chi built 1700 housing units, a school, a clinic, and factory sites which now provide housing, employment, and social services to thousands of former slum dwellers in Indonesia's capital. Tzu Chi would be interested in doing such a project in China, said Chien.

¶18. (C) He also mentioned the Hima Foundation, headed by Taiwan environmentalist Yang Wen-der. The foundation is working in southern Xinjiang, where it is trying to preserve the archeological remains of the ancient Loulan culture in what is now the Taklamakan Desert, and reverse environmental degradation. Taiwan farmers, he said, would also be willing to help Chinese farmers develop modern practices. Chien said Wen responded positively to all of these suggestions.

Wen, not Chien, Raises ECFA

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¶10. (C) During their meeting Chien said Wen raised the issue of an Economic Cooperation Framework Agreement (ECFA) with Taiwan, stating that "anytime you are ready," China can move forward. Chien said he was unable to reply directly to Wen, but thanked him for his comment, and noted that ECFA is still a controversial topic in Taiwan. Chien told the Director, however, that although he could not say so at Boao, he personally sees ECFA as a "lifesaving" agreement for Taiwan. Without it, he said, Taiwan will not be able to negotiate free trade agreements with any of its economic partners, and after ASEAN 3 and ASEAN 6 were implemented "Taiwan would be nobody." (Note: Because Taiwan would be denied the tariff reductions available to those trading partners inside those agreements, it would therefore be at a competitive disadvantage. End Note)

The Message from Wang Yi - Ma Needs to Do More

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¶11. (C) Chien also had two separate meetings with Wang Yi,

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the head of China's Taiwan Affairs Office. In an evening round of golf that included just the two of them, Wang delivered a particularly strong message, calling on President Ma to do more. He told Chien there are many suspicions about Ma in the Chinese leadership. "We have done so much for Ma," Wang said, "he should do something for us." Chien said that he pushed back, stressing that Ma "had his problems." "You need to understand," Wang replied, "that we have people very strongly opposed to what we are doing." Ma needed to do something "to placate these people," Wang said. He elaborated that China would be "comfortable" if Ma would state the Chinese formulation that Taiwan and the Mainland together constitute one China. Chien told us that he explained to Wang the political difficulties that Ma would have in taking additional steps or making statements that were closer to China's official line. Chien reminded Wang that Taiwan remains deeply divided over these issues. "Your only hope is Ma, no matter how much you dislike him," Chien told Wang.

¶12. (C) Turning to the U.S. relationship, Chien told the Director he did not expect China to put pressure on Ma regarding Taiwan's relationship with the U.S. He also said he tried to reassure Wang about the U.S. commitment to Asia. Wang had expressed concern that the Obama administration might devote less time to Asia, noting that ambassadors have still not been nominated for Japan or China. Chien told Wang not to worry, stating that as a new president Obama's first priority is "home," and that he is fully occupied with the financial crisis and the economy. After that, President Obama is likely most focused on the trouble spots of Afghanistan, Pakistan, and Iraq. Asia would not be forgotten, Chien told Wang, and it typically takes time to fill key ambassadorships.

Local Politics

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¶13. (C) On local politics, Chien told the Director he did not know whether Ma would replace Wu Poh-hsiung as KMT Party Chairman, but said he advised Ma against taking the position.

Even as chairman, Chien noted, it is not clear that Ma would be able to exercise control over the party. Commenting on rumors of P.K. Chiang's possible removal as Chairman of the Straits Exchange Foundation, he said that Chiang should remain in the position "if his hands are clean." Although Chien himself had been mentioned as a possible replacement, he said he would refuse to take the job, stating that only an ethnic Taiwanese ("benshenren") would be effective in the role. Chien, of mainland Chinese heritage, would not be able to do the job.

Comment

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¶14. (C) Chien saw Ma before and after his mission, so it seems a bit strange that he claims Ma did not give him messages to pass or instructions. According to Chien, two lower-ranking NSC staff members called on him and merely asked what he planned to say. This after Ma's running mate Vincent Siew and NSC Secretary General-to-be Su Chi headed up Taiwan's delegation a year ago. Perhaps now Ma feels comfortable that his other indirect channels of communication with Beijing are working well enough. Or Chien simply wanted to give Ma deniability by downplaying this question with us.

End Comment

YOUNG